



DATE ISSUED: January 25, 2006

REPORT NO. CCDC-06-06
CCDC-06-04

ATTENTION: Council President and City Council
Honorable Chair and Members of the Redevelopment Agency
Docket of January 31, 2006

STAFF CONTACT: Alexandra Elias, Senior Planner

SUBJECT: JOINT PUBLIC HEARING to consider: Proposed Downtown Community Plan, Proposed Centre City Planned District Ordinance, Proposed Tenth Amendment to the Redevelopment Plan for the Centre City Redevelopment Project and proposed Final Environmental Impact Report.

REFERENCE: Project Binder (Tabs 1-11)

REQUESTED ACTION

That the City Council and the Redevelopment Agency adopt the Proposed Downtown Community Plan ("Proposed Community Plan"), Proposed Centre City Planned District Ordinance ("Proposed PDO"), Proposed Tenth Amendment to the Redevelopment Plan ("Proposed Tenth Amendment") as appropriate, and that the City Council and the Redevelopment Agency certify the proposed Final Environmental Impact Report ("proposed Final EIR").

STAFF RECOMMENDATION

That the City Council:

- Certify the proposed Final Environmental Impact Report; and
- Adopt the Proposed Downtown Community Plan and Proposed Centre City Planned District Ordinance, for which the proposed Final EIR has been prepared.

And that the Redevelopment Agency:

- Certify the proposed Final Environmental Impact Report; and
- Having reviewed and considered the Proposed Tenth Amendment, the proposed Final EIR and other documents and information submitted; and
- Having determined that the Proposed Tenth Amendment is in conformity with the General Plan, that the Redevelopment Agency adopt the Proposed Tenth Amendment to the Redevelopment Plan.

SUMMARY

The Proposed Downtown Community Plan, Proposed Centre City Planned District Ordinance and the Proposed Tenth Amendment to the Redevelopment Plan for the Centre City Redevelopment Project pursue growth policies consistent with the Strategic Framework Element of the General Plan of the City of San Diego and advance objectives of the Centre City Redevelopment Project by:

- Increasing the capacity and range of downtown housing opportunities;
- Retaining and expanding employment uses downtown; and
- Establishing new parks and other public amenities.

FISCAL CONSIDERATIONS

None with this action.

PREVIOUS AGENCY and/or COMMITTEE ACTIONS

Centre City Advisory Committee (CCAC) and Project Area Committee (PAC) — The CCAC and PAC, which meets as one body, is the Community Planning Group and Project Area Committee, respectively, for downtown. The CCAC/PAC held a number of meetings to discuss the Proposed Community Plan, Proposed Centre City Planned District Ordinance, Proposed Tenth Amendment to the Redevelopment Plan and proposed Final Environmental Impact Report (collectively known as the “Proposed Community Plan and Related Documents”). On September 14, 2005, the CCAC/PAC discussed and made a series of recommendations on the Proposed PDO. The CCAC/PAC also held a special meeting on September 26, 2005 to discuss and make recommendations to the proposed Community Plan and Proposed PDO.

The CCAC/PAC organized its recommendations into a matrix, and votes (as listed below) were taken on the recommendations in each section of the matrix. Recommendations that were approved by the CCAC/PAC were forwarded to the CCDC Board of Directors. CCAC/PAC recommendations that were subsequently endorsed by the Board were incorporated into final documents for consideration by the Planning

Commission. CCAC/PAC recommendations that are contained in the matrix (behind Tab 11, Appendix D of the project binder) were remaining items that were not carried forward based on Board and Planning Commission decisions, but are included to represent the CCAC/PAC opinions.

On October 19, 2005, the CCAC/PAC considered the proposed Final EIR and Proposed Tenth Amendment to the Redevelopment Plan. The votes on the issues are of the entire CCAC unless otherwise noted:

Summary of Actions Taken:

September 14, 2005

Recommendations on the Proposed PDO:

Parking Sections:	16-7-0
Planning Sections:	22-0-0
Arts & Culture:	20-0-0

September 26, 2005

Recommendations on the Proposed PDO:

Urban Design Sections:	16-0-0
Health & Human Services and Low and Moderate Income Housing Sections:	15-0-0
District Use Regulations Table:	15-0-0

Recommendation to approve Proposed Community Plan

(with additional recommendations, see items in matrix under "Recommended Changes to Downtown Community Plan" matrix p. 5):	15-0-0
Other Recommendations (see items under Item 5, p. 6 in the matrix):	15-0-0

October 19, 2005

Recommendation that the Redevelopment Agency/City Council certify the proposed Final EIR:	21-0-0
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Recommendation to approve the Proposed Tenth Amendment
to the Redevelopment Plan for the Centre City

Redevelopment Project (PAC only)	19-0-0
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Centre City Development Corporation (CCDC) Board Recommendation(s) — On October 5, 2005, the CCDC Board of Directors held a Special Meeting to discuss the Proposed Community Plan and Related Documents. The Board heard recommendations by the CCAC/PAC, and made preliminary recommendations on the proposed Community Plan and proposed PDO. At a second Special Meeting on October 25, 2005, the Corporation Board of Directors voted on a second series of

recommendations to the Planning Commission. These recommendations were incorporated into the Proposed Community Plan (Tab 2), and into the proposed PDO (Tab 3) of the project binder and forwarded to the Planning Commission for recommendation.

At its regular meeting of October 26, 2005, the Corporation Board of Directors voted unanimously to recommend that the Planning Commission:

- Recommend that the City Council adopt the Proposed Community Plan, and the Proposed Centre City Planned District Ordinance; and
- Recommend that having reviewed and considered the Proposed Tenth Amendment to the Redevelopment Plan for the Centre City Redevelopment Project the proposed Final EIR and other documents and information submitted; and
- Having determined that the Proposed Tenth Amendment is in conformity with the General Plan, that the Redevelopment Agency adopt the Proposed Tenth Amendment to the Redevelopment Plan; and
- Recommend that the City Council certify the proposed Final Environmental Impact Report that has been prepared for the Proposed Community Plan, Proposed Centre City PDO and the Proposed Tenth Amendment to the Redevelopment.

Planning Commission Actions and Recommendations — The Planning Commission held a workshop on May 19, 2005 for a preliminary discussion of the Proposed Community Plan and Related Documents, and subsequently held four public hearings to consider a recommendation to the Redevelopment Agency and City Council. The four public hearings took place on October 27, 2005, November 10, 2005, December 8, 2005 and January 12, 2006. Actions taken by the Planning Commission (as contained in adopted resolutions) and a complete list of its recommendations are contained in the project binder under Tab 11, Appendix C. Issues of particular interest to the Commission (described in the “Recommendations”) were:

- Parks
- Bonus, Incentive, and Transfer of Development Rights (TDR) program
- Minimum parking ratios

These topics are discussed in more detail in attachments 1, 2 and 3 of this staff report (also under Tab 1).

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS

The public participation effort included:

- Initial interviews with 60 individual stakeholders;

- Creation of a 35-member Steering Committee representing a broad spectrum of business and community interests provided incremental input to the project team and acted as the primary venue for public input during the process. The Steering Committee held 20 public meetings;
- Subcommittees of the Steering Committee in five topical areas (arts & culture, economic development, urban design, neighborhood amenities, and transportation & circulation);
- Four large public workshops and meetings (in addition to CCAC/CCDC/Planning Commission workshops);
- Project website at www.ccdc.com/planupdate;
- Four newsletters distributed to CCDC's mailing list and parties interested in the Community Plan process; and
- Outreach to adjacent neighborhood and community groups¹.

The project outreach resulted in over 1,500 individuals participating directly in one or more levels of the process.

Scope and Purpose of the Community Plan Update

The Centre City (now "Downtown") Community Plan, which was last comprehensively updated in 1992, is the downtown component of the Progress Guide and General Plan for the City of San Diego. The adopted Strategic Framework Element of the General Plan calls for downtown to be the region's center (see p. 50). Specifically:

"The City of Villages strategy encourages the further intensification of Downtown to increase its role as a regional hub by maintaining and enhancing its role as the pre-eminent business center in this region and developing as a major urban residential center with the largest concentration of high density multi-family housing in the region."

The Proposed Community Plan contains new and specific components that work to achieve this role for Downtown:

¹ ACCORD (A Community Coalition for Responsible Development), Barrio Logan (Redevelopment Agency Staff), Building Industry Association, California Coastal Commission staff, Caltrans, Catholic Diocese of San Diego, Center on Policy Initiatives (CPI), City of San Diego Planning Department, City of San Diego Police Department, Commission for Arts & Culture, Downtown San Diego Partnership Urban Design Committee, Downtown San Diego Partnership Transportation Committee, East Village Association, East Village Community Action Network (EVCAN), Environmental Health Coalition, Grant Hill/Sherman Heights Revitalization Team, Social Service Providers, Industrial Environmental Association, Little Italy Association Community Plan Task Force, Marine Terminal Community Committee, San Diego Association of Governments (SANDAG) staff, San Diego Association of Governments Transportation Committee, San Diego Bicycle Coalition, San Diego City Schools, San Diego County Regional Airport Authority, San Diego Organizing Project (SDOP), San Diego Theatres/Convention Center, San Diego Unified Port District, Working Waterfront Group

- Floor Area Ratio (FAR) minimums have been instituted in all areas to achieve a minimum level of anticipated growth;
- General intensification of land uses over approximately 40% of downtown's land area;
- The creation of a Employment center that is protected by a proposed Employment Required Overlay Zone;
- Allowances for Large Floorplate development to encourage office uses in other areas of downtown;
- Primary areas of land use intensification located adjacent to the trolley line and transit corridors;
- Designation of park sites to contribute to livability of an urban environment and quality of life for downtown residents, workers and visitors.

The Proposed Centre City PDO and the Proposed Tenth Amendment to the Redevelopment Plan for the Centre City Project Area bring these documents into consistency with the Proposed Community Plan, thus making the documents also consistent with the Strategic Framework Element of the General Plan.

Work Program

In 2002 CCDC began work with its chosen prime consultant, Dyett & Bhatia, a San Francisco planning consulting firm (with a San Diego office), to complete the update. Project Design Consultants, a local firm, was selected as the prime consultant to complete the EIR. Staff managed the consultants with guidance and regular input from the Steering Committee.

In brief summary, the Community Plan work program encompassed the following tasks:

- Taking stock of downtown's resources and potential;
- Drafting planning principles that were endorsed by the Steering Committee;
- Completing working papers and studies on a number of topics from "trenching" the rail lines, to assessing the potential for growth of arts & culture downtown and the feasibility of creating land for open space or development over Interstate-5 by building a "lid";
- Completion of a series of three-dimensional models of downtown to determine the effects of shadows on sunlight access to parks, massing and placement of high-rise towers, and a graphic representation of a buildout scenario; and
- Completing a Preliminary Draft Community Plan in November 2004.

Consensus and Issues

Several themes emerged during the public dialogue on the future of downtown San Diego:

- Support for a dense, mixed use, yet livable downtown;

- Broad support for the concept of downtown serving as the regional hub, providing a mixture of office, retail, housing, and public uses;
- A need for additional parks of varying sizes;
- Opportunities for arts & culture throughout downtown;
- The desire for everyday amenities within walking distance of residences;
- Parking and quality transit;
- Expanding the supply of affordable housing; and
- Creating links from downtown into neighboring communities.

A number of new ideas were discussed that would result in developing new approaches to development projects:

- Transfers of development rights for the purpose of acquiring parks/open space and preserving historic structures;
- Floor area bonuses and incentives for affordable housing, open space, larger ("family") units, green roofs and enhanced public improvements;
- Regulations on bulk, height and tower placement to ensure generous sunlight to priority full block parks and ambient sun to streets; and
- Minimum requirements and incentives to ensure that land will be available for employment uses in the Core area of downtown.

Public Discussion

A *Preliminary* Draft Community Plan was released on November 19, 2004. Staff worked with community groups and interested parties to review the document, and more than 20 organizations and 15 individuals provided specific comments on the initial document. Workshops were also held with the Real Estate Committee of the CCDC Board of Directors in March, April and May 2005, and a Planning Commission workshop was held on May 19, 2005. Suggestions made at these meetings were incorporated into a June 2005 public hearing draft of the Downtown Community Plan prior to beginning the public hearing process.

Additionally, throughout this year, staff has held individual meetings with interested parties and organizations to discuss comments and concerns about the Proposed Community Plan and Related Documents. Where changes have resulted from those meetings in time for inclusion in the public hearing draft of the Proposed Community Plan, these have been included in the documents. The Proposed Community Plan and Related Documents as contained in the project binder represent cumulative comments as accepted from all parties (including the CCAC/PAC, CCDC Board and Planning Commission) from November 2004 to January 2006.

A summary of the four documents under consideration are summarized here:

Proposed Downtown Community Plan (Tab 2)

The Proposed Plan follows the land use policies set in the City of San Diego's Strategic Framework Element of the General Plan, with an intensification of land uses in the downtown environment. The Community Plan Floor Area Ratio (FARs) have been increased in a portion of downtown to increase the residential and employment capacity of the area, and minimum FARs are established throughout downtown. Since downtown is a mostly built-out environment, there is also an emphasis on establishing new parks and open spaces, as well as the improving the quality of the public realm in general. The general land use pattern is based on the premise of small, walkable neighborhoods with a park or open space within each. Additionally, the Subcommittee and the Steering Committee felt it important that development surrounding the parks be regulated to ensure a significant amount of sunlight into the parks throughout the year. The neighborhoods and park concepts evolved into "Neighborhood Centers" and became the basis of the Plan. It would not be an overstatement to say that the Proposed Community Plan has been created around them.

Some of the other major new items in the Proposed Community Plan are:

- 1.) *Transfer of Development Rights Program:* Recognizing the challenge of acquiring parks in an urban environment, the Community Plan proposes a Transfer of Development Rights (TDR) program that would provide landowners of park sites to be compensated for the right to develop on their property, and in exchange, provide the land to the City for the construction of a park. Additionally, the Community Plan allows for the limited transfer of development rights from historic properties to development on the same block to contribute toward the preservation of designated resources.
- 2.) *Floor Area Bonuses:* Given the desire of policymakers to intensify development downtown, it became important to create programs that would help ensure the livability of the urban environment for the public. As a result, the Proposed Community Plan laid out a system of FAR bonuses that would be made available to developers willing to provide amenities or development that would benefit the public. The components of the program are implemented in the Proposed Centre City PDO.
- 3.) *New chapters on Historic Preservation, Arts & Culture, Economic Development and Health & Human Services.* These topics had either previously existed in Focus Plans, or not been contained in a planning document at all. Including them in a chapter of the Community Plan is intended to give them higher standing in the land development process, and a better chance for success by providing goals and policies for each topical area.

- 4.) *Preservation of Employment Land.* In the last five years, there has been an increasing trend of residential development taking place on land that was anticipated to accommodate employment uses. Since residential development was allowed anywhere downtown under the 1992 Community Plan and Centre City PDO, there were no regulatory mechanisms to ensure the availability of employment land in the future. As a result, the Proposed Community Plan (and Proposed PDO) contain an "Employment Required" Area in which at least 50% of a project must be commercial, hotel or retail use. This mechanism is not intended to "change the market" for commercial land, but to ensure that when the market does change to make development for employment viable, that sites are available for construction.

Proposed Centre City PDO: (Tab 3)

The Proposed PDO contains a number of new programs to implement the Proposed Community Plan and a number of changes to make the document consistent with the City's Land Development Code (LDC). These are explained in the summary sheet entitled "Outline of Proposed Changes in Centre City Planned District Ordinance" that is included with the Proposed PDO behind Tab 3 in the project binder. As mentioned above, the Proposed PDO contains provisions for the Transfer of Development Rights and FAR bonuses, as well as an Employment Required Area in which employment related uses would be required.

The Proposed PDO also:

- Focuses commercial and retail uses in specific areas in and near neighborhood centers and on key streets to create vital districts;
- Expands the areas that allow Single Room Occupancy (SRO) units to help expand the supply of affordable housing;
- Allows exemptions from FAR calculations to encourage desired uses (e.g. historic resources, public uses, and cultural uses);
- Continues to retain important view corridor streets, and requires setbacks on them to preserve views to the San Diego Bay;
- Includes a system of FAR bonuses for amenities such as green roofs, urban open space, affordable housing, family housing and others;
- Establishes new bulk and height restrictions that are intended to ensure sunlight to parks and along Main Streets in Neighborhood Centers;
- Requires on-site common open space (both indoor and outdoor); and
- Includes Transportation Demand Management (TDM) requirements for hotel and office projects to encourage alternative transportation options.

Final Environmental Impact Report, including Responses to Comments; Findings of Fact and Statement of Overriding Considerations; Mitigation, Monitoring and Reporting Program (bound separately in Volumes 1a, 1b and Volume 2); and including Errata and Summary of Impacts; (found behind Tab 4)

The proposed Final EIR identifies significant impacts in a number of areas including:

- Traffic and Circulation
- Cultural Resources
- Noise
- Land Use
- Air Quality
- Visual Quality
- Paleontological Resources, and
- Water Quality.

These are summarized in Table 1.3-1, "Significant Impacts and Mitigation Measures" in Volume 1a and discussed in detail in Chapter 5.0, Environmental Analysis (as modified by the "Errata for the Final EIR" as provided in Tab 4 of the project binder).

A 45-day public review period took place from July 28, 2005 to September 12, 2005. Twenty-six letters of comment were received. Following the public review period, the Final EIR, including Modifications to Text and Figures (now contained in Volume 1a in ~~strikeout~~/underline format), Responses to Comments received (Volume 1b), Findings of Fact and Statement of Overriding Considerations (Volume 1b), and a proposed Mitigation Monitoring and Reporting Program (Volume 1b) were prepared. Volume 2, Technical Appendices, did not change.

Through the public hearing process, particularly at the Planning Commission, additional mitigation measures were added to the Final EIR. The most significant commitments included in the new Transportation mitigation measures, specifically:

a.) Local Improvements

- Amendment of CCDC's existing Public Facilities Financing Plan (PFFP) to include specific roadway improvements within the downtown grid;
- Commitment to implement a fair-share contribution program through a Development Impact Fee or comparable mechanism to assure that PFFP transportation improvements are adequately funded and implemented in a timely manner; and

b.) Regional Improvements

- A requirement to initiate, and deadlines for undertaking and completing, a multi-agency plan for transportation improvements needed to accommodate downtown impacts on the regional transportation systems serving downtown including freeways and transit;
- Requirement that the plan include cost estimates for construction, maintenance and operation of identified improvements; and
- Annual reporting by CCDC on the progress made toward completing the plan for up to five years.

Also, staff worked closely with the City Attorney's office, City Planning, and the Environmental Analysis Section of the Development Services Department to ensure that appropriate mitigation measures were included in all study areas.

Proposed Tenth Amendment to the Redevelopment Plan (Tab 5)

The Proposed Tenth Amendment is proposed to conform the Redevelopment Plan for the Centre City Project area to the Proposed Community Plan. Text describing land use districts as well as a new map corresponding to those found in the proposed Community Plan and descriptions of development are provided, as required by California Redevelopment Law. Also, the allowable number of units in the project area is proposed to increase from 33,890 to 53,000, consistent with the Proposed Community Plan. Staff also took the opportunity to reduce some duplication in the document as the listed objectives for many areas were the same. The names of the areas have not changed, nor has their status in any way. Rather than re-stating the same objectives for each area individually, the "Project Objectives" area was generalized to encompass all project areas collectively. Note that there are no changes to terms of indebtedness, geographic boundaries, or other non-land use related changes proposed by the Tenth Amendment.

Reporting requirements as outlined by California Community Redevelopment Law and Statutes (as contained in Public Health & Safety Code) are included in the project binder behind Tab 11. There is also a strikeout/underline version of the Proposed Tenth Amendment to the Redevelopment Plan behind Tab 11, Appendix A.

SUMMARY/CONCLUSION

Staff Recommendation – that the City Council:

- Certify the proposed Final Environmental Impact Report; and
- Adopt the Proposed Downtown Community Plan and Proposed Centre City Planned District Ordinance, for which the proposed Final EIR has been prepared.

And that the Redevelopment Agency:

- Having reviewed and considered the Proposed Tenth Amendment to the Redevelopment Plan for the Centre City Redevelopment Project the proposed Final EIR and other documents and information submitted; and
- Having determined that the Proposed Tenth Amendment is in conformity with the General Plan, that the Redevelopment Agency adopt the Proposed Tenth Amendment to the Redevelopment Plan.

Respectfully submitted,

Alexandra Elias
Senior Planner

Approved: Nancy C. Graham
President

Attachments: Project Binder (Tabs 1-11)